

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> Behavioral Health	<b>(2) MEETING DATE</b> 7/24/2012	<b>(3) CONTACT/PHONE</b> Kim Miramon, Admin Svcs Mgr, x2932 Amy Olson, ASO II, x4729	
<b>(4) SUBJECT</b> Request to approve four renewal contracts (Clerk's File) for Fiscal Year 2012-13 in the aggregate amount not to exceed \$636,560 with four Institutes of Mental Disease (IMD) to provide residential and intensive mental health services in locked facilities to adults who cannot care for themselves due to their mental illness.			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board approve four renewal contracts for FY 2012-13 in the aggregate amount not to exceed \$636,560 with Beverly Health and Rehabilitation Services, Inc., dba Golden Living Center-San Jose, Crestwood Behavioral Health, Inc., Sylmar Health and Rehabilitation Center, Inc., and Sunbridge Healthcare Corporation (dba Sierra Vista Rehabilitation Center) to provide residential and intensive mental health services in locked and semi-locked facilities to adults who cannot care for themselves due to their mental illness.			
<b>(6) FUNDING SOURCE(S)</b> FC 166 - Behavioral Health: Realignment and General Fund	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$636,560.00	<b>(8) ANNUAL FINANCIAL IMPACT</b> \$636,560.00	<b>(9) BUDGETED?</b> Yes
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
<b>(11) EXECUTED DOCUMENTS</b> <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> 19001175		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b> N/A	<b>(15) BUSINESS IMPACT STATEMENT?</b> No	<b>(16) AGENDA ITEM HISTORY</b> <input type="checkbox"/> N/A    Date <u>July 19, 2011</u>	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b>   			
<b>(18) SUPERVISOR DISTRICT(S)</b> All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Jeff Hamm, Health Agency Director  
Karen Baylor, Ph.D., MFT, Behavioral Health Administrator

DATE: 7/24/2012

SUBJECT: Request to approve four renewal contracts (Clerk's File) for Fiscal Year 2012-13 in the aggregate amount not to exceed \$636,560 with four Institutes of Mental Disease (IMD) to provide residential and intensive mental health services in locked facilities to adults who cannot care for themselves due to their mental illness.

## **RECOMMENDATION**

It is recommended that the Board approve four renewal contracts for FY 2012-13 in the aggregate amount not to exceed \$636,560 with Beverly Health and Rehabilitation Services, Inc., dba Golden Living Center-San Jose, Crestwood Behavioral Health, Inc., Sylmar Health and Rehabilitation Center, Inc., and Sunbridge Healthcare Corporation (dba Sierra Vista Rehabilitation Center) to provide residential and intensive mental health services in locked and semi-locked facilities to adults who cannot care for themselves due to their mental illness.

## **DISCUSSION**

The Health Agency's Behavioral Health Department contracts with various residential placement providers within a wide range of adult residential services, providing the appropriate level of care to seriously mentally ill individuals in need of residential placement. With the exception of State hospitals and other acute care hospitals, Mental Health Rehabilitation / Institutions for Mental Disease (IMDs) offer the most intensive level of care in the residential care continuum. IMDs are locked residential facilities that are primarily engaged in providing intensive care of persons with severe mental illness, which includes medical attention, nursing care, assessment, clinical treatment and other related services. Intensive services including psychiatrist coverage are offered 24 hours per day / 7 days per week.

Most clients placed in these facilities have not succeeded in outpatient settings and less restrictive residential placements. Often, IMD clients have been placed under conservatorship by the courts. Although the desired outcome is to move clients to the least restrictive level in which they can be successful, a certain percentage of the population with severe mental illness will, at any given time, need the level of treatment offered in an IMD setting. IMDs can include psychiatric hospitals, psychiatric health facilities (PHF) with over 16 beds, skilled nursing facilities with a certified special treatment program for the mentally ill (SNF-STP), and mental health rehabilitation centers (MHRC). Due to the severity of their symptoms, clients placed in IMDs are unable to live successfully in a less restrictive setting.

The Behavioral Health Department wishes to renew four contracts: Beverly Health and Rehabilitation Services, Inc, dba Golden Living Center-San Jose, Crestwood Behavioral Health, Inc., Sylmar Health and Rehabilitation Center, and Sunbridge Healthcare Corporation, dba Sierra Vista Rehabilitation Center. The contract providers are licensed by the State Department of Health Services as skilled nursing facilities and Institution for Mental Disease with special treatment programs (SNF-STP) certified by the State Department of Mental Health. Due to the lack of available IMD facilities in San Luis Obispo County, Behavioral Health utilizes the aforementioned contractors depending on bed availability.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

County Counsel has approved the contracts as to form and legal effect.

## **FINANCIAL CONSIDERATIONS**

The FY 2012-13 Behavioral Health Department Adopted budget includes \$636,560 for Mental Health Rehabilitative / IMD services, which assumes 8 clients for a total of 2,920 days at an average rate of \$218 per day. This represents a 30% decrease, or \$247,480, in the amount of IMD services budgeted this year compared to \$911,040 budgeted for FY 2011-12. FY 2011-12 began with 15 clients in IMD facilities, however, this figure decreased dramatically as clients transitioned to lower levels of care. When the FY 2012-13 budget was developed in December of 2011, there were 8 clients and currently there are 5 clients placed in IMD facilities. It is anticipated the FY 2012-13 budget for IMD facilities will be sufficient given current client status.

The contracted rates per day vary from \$164 to \$263. The actual annual costs for IMD services vary depending on bed availability in each facility, the level of care and program needs for the clients, and the number clients needing residential placement. Each contract stipulates a maximum amount of \$636,560 but it is clear in the each contract that the County only pays for actual bed days used. Setting each contract at the maximum amount allows the flexibility to move clients within each facility and add clients without amending their contract based on initial estimates. However, the total amount spent for all four contracts is expected to be within the \$636,560 budget.

The County is not able to claim federal reimbursement for services provided to individuals residing in IMDs. IMD reimbursable rates are set by the State, which provides funding for these services through State Realignment and State Managed Care monies. Actual IMD days and costs for FY 2009-10, FY 2010-11, and FY 2011-12 for each facility are presented in the table below.

Facility	FY 2009-10 Actual			FY 2010-11 Actual			FY 2011-12 Estimate			FY 2012-13 Budget		
	Days	Clients	Cost	Days	Clients	Cost	Days	Clients	Cost	Days	Clients	Cost
Sylmar	35	1	\$5,948	338	1	\$70,943	152	1	\$35,172	0	0	\$0
Golden Living	670	3	\$86,035	1,868	4	\$346,002	1,204	4	\$224,879	1,460	4	\$318,280
Crestwood	1,876	5	\$349,970	2,474	6	\$502,839	1,425	4	\$292,125	1,460	4	\$318,280
CPT	0	0	\$0	143	1	\$42,600	139	1	\$41,700	0	0	\$0
Sierra Vista	0	0	\$0	148	1	\$24,285	74	1	\$12,143	0	0	\$0
<b>Total</b>	<b>2,581</b>	<b>9</b>	<b>\$441,953</b>	<b>4,971</b>	<b>13</b>	<b>\$986,669</b>	<b>2,994</b>	<b>15</b>	<b>\$606,019</b>	<b>2,920</b>	<b>8</b>	<b>\$636,560</b>

Because IMD costs represent a substantial portion of the amount budgeted for all adult residential placements, Mental Health's Adult Placement Committee monitors all IMD placements closely to assure that they are appropriate and medically necessary. The committee was formed to monitor placements, identify barriers, and seek system improvements. Members of the committee include the following stakeholders: an intensive case manager, who also serves as liaison to the IMDs, board and care facilities, and community housing; the owner of both American Care Homes (American Care Homes are licensed board and care facilities often used to transition clients from IMDs back into the community); representatives from the Public Guardian's Office and Transitions – Mental Health Association; Behavioral Health's Division Manager for Adult Services; Behavioral Health's Division Manager for Compliance / Quality Improvement / MHSA FSP programs; and the social worker from the Psychiatric Health Facility. The Adult Placement Committee assists the Department in determining the best balance between cost efficiency and the appropriate placements for the effective treatment of its clients.

## **RESULTS**

At the end of FY 2011-12, the overall usage of IMD facilities decreased compared to previous years. While 13 clients were budgeted for 2011-12, at one point during the year as many as 15 clients were placed in an IMD facility at the same time. However, by June 2012 this number was reduced to 5 by moving clients to lower levels of care. Additionally, 1 more client may be nearing readiness to be moved to a lower level of care during early 2012-13.

The Behavioral Health Department accepts responsibility for managing placements in the most cost effective manner, while providing the most appropriate treatment option for the individual client. In spite of efforts to find viable alternatives to IMD placements, there will continue to be a core group of individuals with severe mental illness who are in need of IMD services. Appropriate placements help Behavioral Health reach its mission to serve clients in the least restrictive setting

possible and to advance the Behavioral Health's goal of assisting individuals with severe mental illness to be as functional and productive as possible in least costly environments. Appropriate placements also allow Behavioral Health to contribute to wider County visions to promote a healthy, safe community.

#### **ATTACHMENTS**

1. IMD Contract Renewals 12-13 Clerk's File Cover Sheet